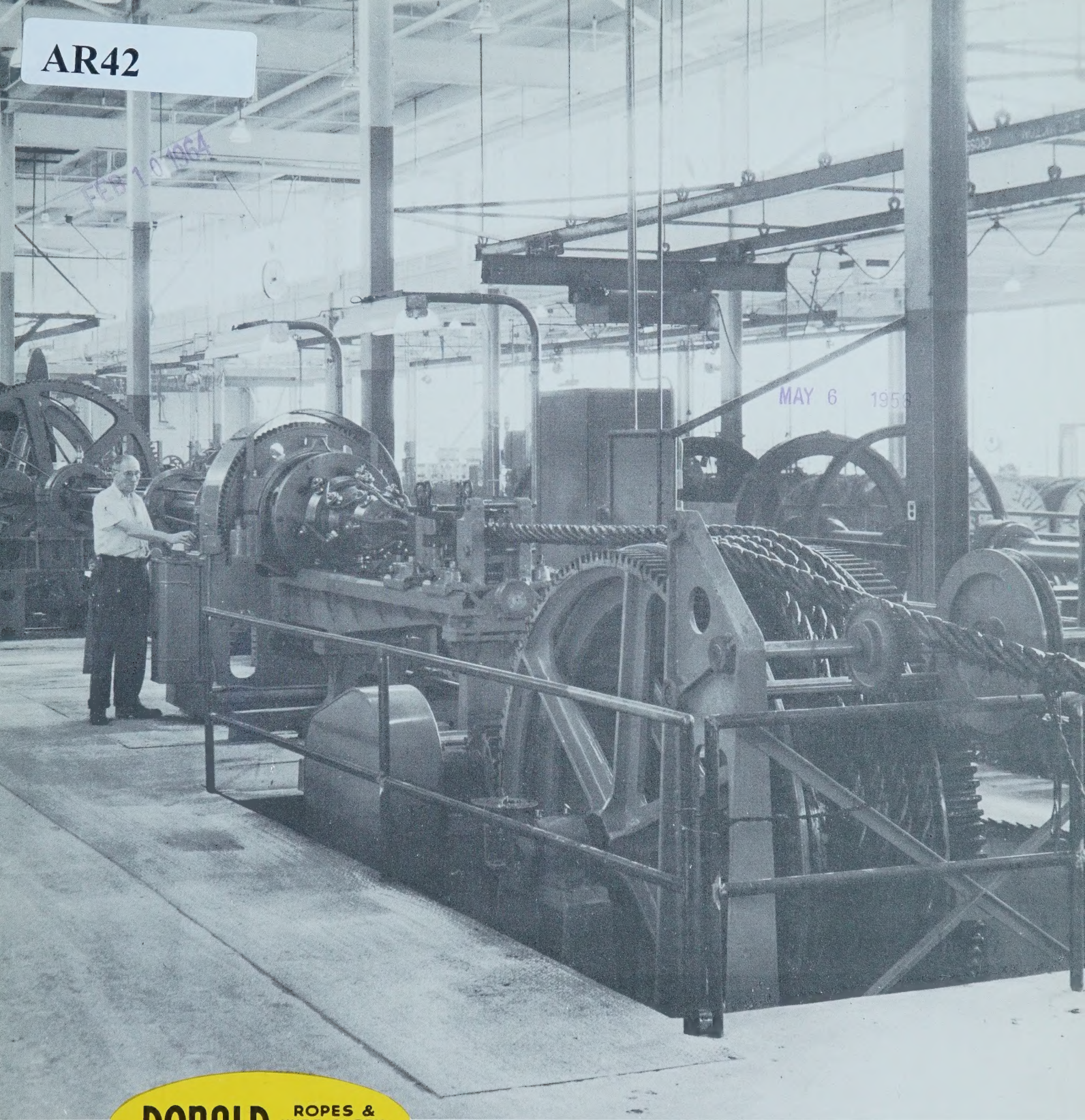


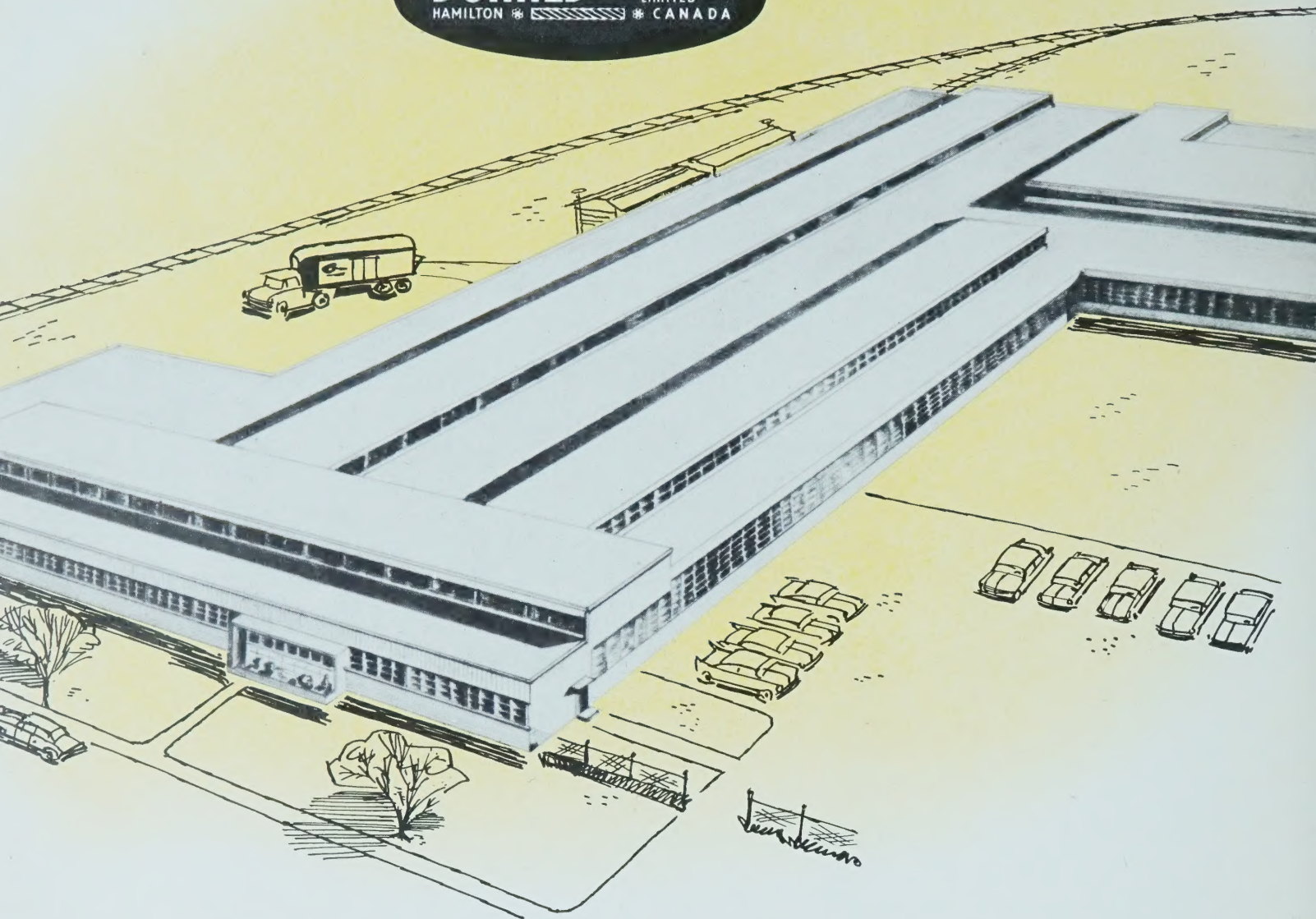
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DONALD ROPES & WIRE CLOTH
LIMITED
HAMILTON * CANADA

nineteen fifty-seven ANNUAL REPORT

DONALD ROPES & WIRE CLOTH
LIMITED
HAMILTON * CANADA



directors:

GEO. E. DONALD
S. H. GREEN
R. F. INCH, Q.C.
R. E. OLIVER, C.A.
P. W. HUME

officers:

GEO. E. DONALD, *President*
S. H. GREEN, *Vice-President and Secretary*
R. E. OLIVER, C.A., *Treasurer*

auditors:

PUNCHARD, GRANT & Co., *Chartered Accountants*
Toronto, Ontario

**registrars
and transfer agents**

ROYAL TRUST COMPANY
Toronto, Hamilton and Montreal

**trustees
first mortgage bonds**

NATIONAL TRUST CO. LIMITED
Hamilton, Ontario

PRESIDENT'S LETTER to the shareholders...

The Annual Statement of the Company for the year ended December 31, 1957 is presented herewith.

earnings

Net income for the year after providing for all charges including taxes on income and depreciation was \$277,622 and in the previous year was \$335,013. Value of sales in 1957 was the second highest in the company's history, being only slightly less than the record year of 1956. As the year progressed there was a noticeable improvement in the efficiency of all departments. The expenditures which had been made for new plant and equipment for the perforating and wire rope divisions, together with rearrangement and modernization of the wire screening department, accounted for the improvement. Unfortunately, savings in efficiency were more than offset by higher costs of material and supplies as well as increased labour rates.

dividends

During the year, regular semi-annual dividends were paid to Preference "A" shareholders at the rate of 5% per annum of the par value.

Preference "B" shareholders received a participating dividend of 50¢ per share in addition to the regular quarterly dividend of 20¢ per share, making a total dividend paid in 1957 of \$1.30 per share.

working capital

The reduction in working capital from \$1,468,800 during the year to \$1,351,563 resulted from net expenditures on substantial additions to our capital assets amounting to \$436,000. The balance of funds borrowed under Series "B" bonds as well as retained earnings provided financing for the major part of this expenditure.

general

During the year the company discontinued the manufacture of insect screen wire cloth. For many years we were one of the important manufacturers in Canada of this grade of screening, weaving all of the popular grades of steel, bronze, copper and aluminum. During the past several years we have been faced with severe competition, principally from Japan. Our share of the market ultimately decreased to a point where it became uneconomical to operate the department and as no hope was held out of meeting or eliminating the competition, we decided the time had come to withdraw from the market.

employees

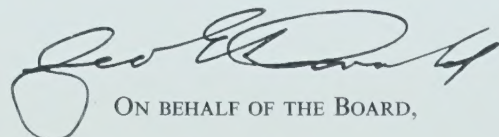
The directors wish to thank the members of the organization for their untiring service and cooperation with management for the well-being of the company.

looking ahead

1957 saw the completion of a heavy capital expenditure programme. Our efforts throughout 1958 will be concentrated on obtaining greater productivity from the plant and facilities with which we are now so well equipped.

We do not expect increased sales in 1958; nevertheless we feel that our sales prospects are in line with Canada's economic prospects.

February 18, 1958


ON BEHALF OF THE BOARD,

ASSETS

current assets:

	1957	1956
Accounts receivable, trade, less allowance for doubtful accounts.....	\$ 542,092	\$ 637,382
Sundry deposits and advances.....	14,640	10,805
Merchandise comprising manufactured products, goods in process and raw materials certified by responsible officials of the company as to quantity and condition, and valued at the lower of cost or market.....	1,657,188	1,836,093
Prepaid insurance and expenses.....	22,543	16,434
Total current assets.....	<u>\$2,236,463</u>	<u>\$2,500,714</u>

other assets:

Cash surrender value of life insurance.....	\$ 127,976	\$ 109,667
Owing by employees.....	4,645	7,225
Payments on account of capital purchases.....	14,657	76,068
Bond mortgage funds held by a trustee.....	—	184,000
Total other assets.....	<u>\$ 147,278</u>	<u>\$ 376,960</u>

capital assets:

Land, buildings, and equipment, at cost.....	\$3,078,496	\$2,642,098
Less — Accumulated depreciation.....	1,326,716	1,221,042
Total capital assets.....	<u>\$1,751,780</u>	<u>\$1,421,056</u>

franchise rights, less amortization.....	\$ 7,110	\$ 3,666
Approved on behalf of the Board: GEO. E. DONALD, <i>Director</i> S. H. GREEN, <i>Director</i>	<u>\$4,142,631</u>	<u>\$4,302,396</u>

Toronto, Canada
February 18, 1958.

**AUDITORS' REPORT
to the shareholders:**

We have examined the accounts of Donald Ropes & Wire Cloth Limited for the year ended December 31, 1957. In connection therewith, we examined or tested the records by the means and to the extent we deemed appropriate and in accordance with generally accepted auditing standards, but we did not examine all the detailed transactions which occurred during the year.

as at December 31, 1957

LIABILITIES

current liabilities:

Bankers' advances, secured	\$ 325,538	\$ 82,546
Accounts payable and accrued charges.....	310,117	622,424
First mortgage bonds — interest accrued.....	10,341	10,915
First mortgage bonds — sinking fund instalments due within one year.....	62,000	62,000
Taxes payable — income.....	154,160	224,390
Taxes payable — other than income.....	22,744	29,639
Total current liabilities.....	<u>\$ 884,900</u>	<u>\$1,031,914</u>

deferred liabilities:

First mortgage sinking fund bonds:		
Series A 5¼% due May 1, 1974, and redeemable — less sinking fund instalment of \$37,000 due within one year.....	\$ 602,000	\$ 639,000
Series B 6% due November 1, 1976, and redeemable — less sinking fund instalment of \$25,000 due within one year.....	450,000	475,000
Notes payable 5% due March 1, 1965.....	131,400	150,000
Total deferred liabilities.....	<u>\$1,183,400</u>	<u>\$1,264,000</u>

capital and surplus:

Capital stock		
4,800 Class A 5% cumulative redeemable (at par) preference shares of \$100 par value authorized, whereof issued 4540 shares.....	\$ 454,000	\$ 454,000
90,000 Class B 80¢ participating non-cumulative preference shares of no par value authorized, whereof issued 45,000 shares.....	10,003	10,003
180,000 Common shares of no par value authorized, whereof issued 90,000 shares.....		
520,800 Class C non-cumulative redeemable (at par) non-voting preference shares of \$1 par value authorized, whereof issued and redeemed during 1957 — 65,900 shares (1956 — 79,200 shares)..		
Earned surplus.....	1,610,328	1,542,479
Total capital and surplus.....	<u>\$2,074,331</u>	<u>\$2,006,482</u>
	<u>\$4,142,631</u>	<u>\$4,302,396</u>

NOTE — Dividend of \$9,000 on Class B preference shares payable February 1, 1958 was declared by the Directors, December 18, 1957.

We report that, in our opinion, the attached balance sheet and related statements of surplus and of profit and loss have been properly drawn up so as to present fairly the financial position of the company as at December 31, 1957, and the results of its operations for the year ended on that date according to the best of our information and the explanations given us and as shown by the books.

PUNCHARD, GRANT & CO.
Chartered Accountants.

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED DECEMBER 31, 1957
(with comparative figures for the year ended December 31, 1956)

	1957	1956
Profit from operations before the undernoted charges.....	\$ 824,859	\$ 879,932
<i>Deduct</i> — Depreciation.....	\$ 207,557	\$ 162,233
— Directors' fees.....	1,150	1,350
— Interest on notes.....	6,647	7,500
— Interest on first mortgage bonds.....	61,883	38,836
	\$ 277,237	\$ 209,919
Profit before provision for income taxes.....	\$ 547,622	\$ 670,013
<i>Deduct</i> — Provision for income taxes.....	270,000	335,000
Net profit for the year.....	\$ 277,622	\$ 335,013

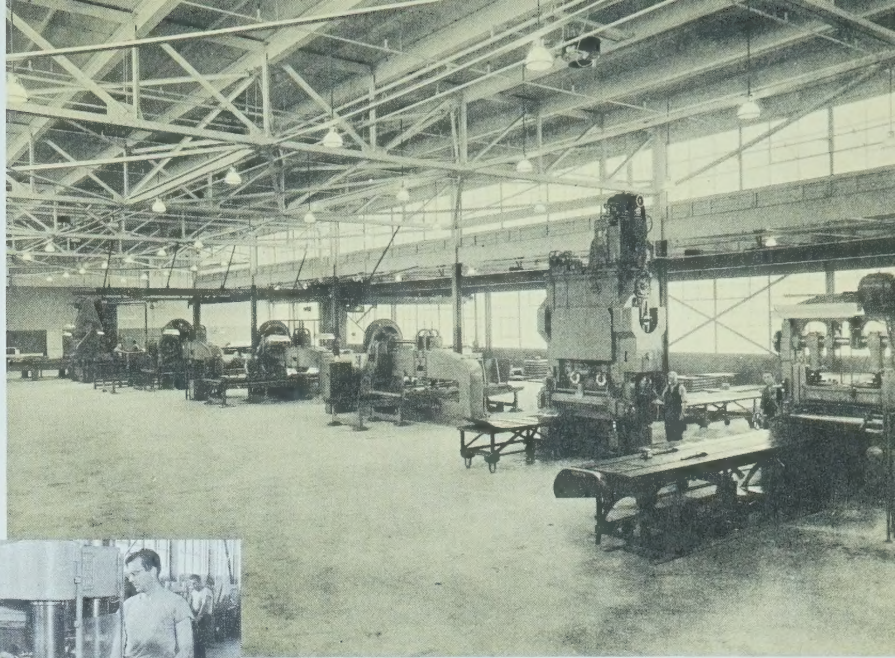
DONALD ROPES & WIRE CLOTH
LIMITED
HAMILTON • CANADA

STATEMENT OF EARNED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 1957
(with comparative figures for the year ended December 31, 1956)

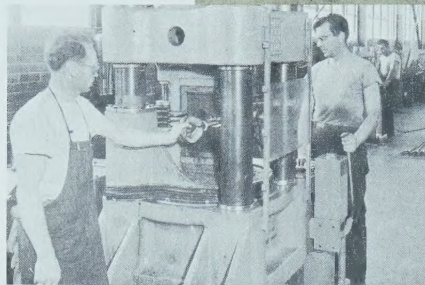
	1957	1956
<i>Balance</i> at credit at beginning of year.....	\$1,542,479	\$1,377,841
<i>Add</i> — Net profit for the year.....	277,622	335,013
	\$1,820,101	\$1,712,854
<i>Deduct</i> — Dividends on Class A preference shares.....	\$ 22,700	\$ 22,700
— Dividends on Class B preference shares.....	58,500	44,550
— Tax paid on undistributed income under Section 105 (2) of the Income Tax Act.....	11,573	14,025
— Stock dividends on common shares out of tax-paid un- distributed income.....	65,900	79,200
— Cash dividends on common shares.....	51,100	9,900
	\$ 209,773	\$ 170,375
<i>Balance</i> at credit at end of year.....	\$1,610,328	\$1,542,479

Row of perforating presses, east bay of perforated metals department.



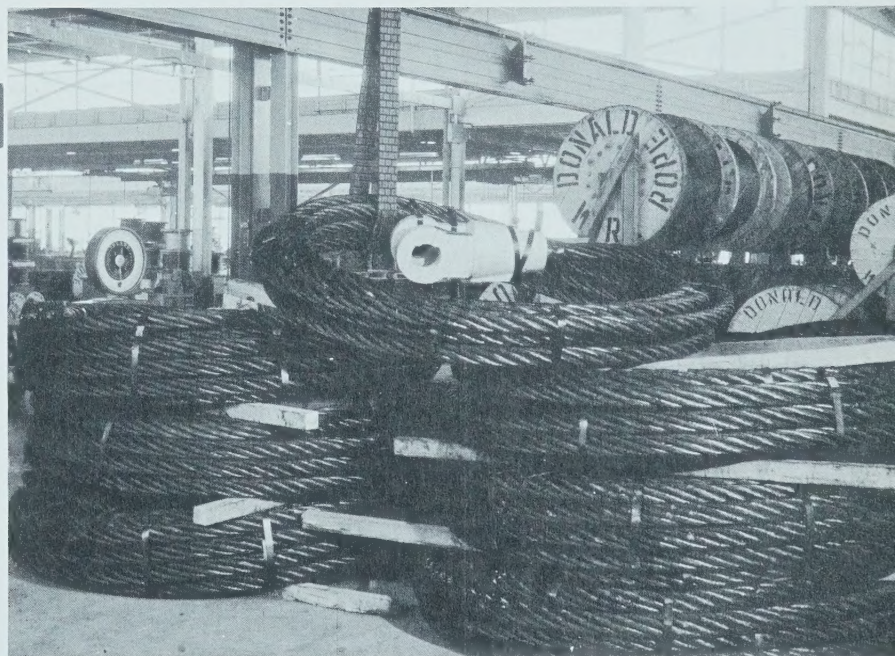
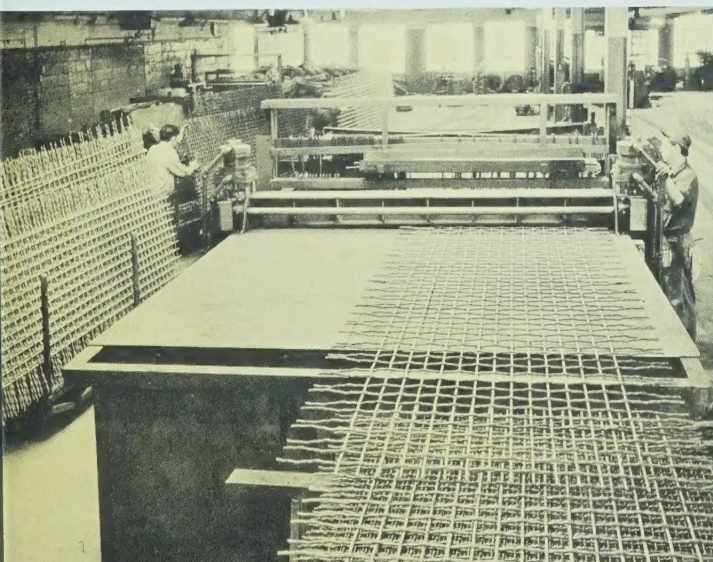
**"TALURIT", a patented mechanical splice being applied with a 1000 ton squeeze in one of our Hydraulic presses.*

**Trade Mark Registered*



OPERATIONS . . .

Loom for weaving screens using pre-crimped wire.



*Handling coil of 3½" diameter Steel Wire Rope in our Shipping Department. Note use of *"TALURIT" Safety Sling.*

**Trade Mark Registered. Patent Pending*



DONALD ROPES & WIRE CLOTH LIMITED

HEAD OFFICE

180 King William St., Hamilton, Ontario.

FACTORIES

Wire Cloth and Wire Screening Manufacturing Divisions,
180 King William St., Hamilton, Ontario.

Wire Rope and Perforated Metals Manufacturing Divisions,
Rifle Range Road, Hamilton, Ontario.

WAREHOUSES and SALES OFFICES

8335 Devonshire Road, Montreal 9, Quebec.

329 Simpson Street, Fort William, Ontario.

1004 Sargeant Ave., Winnipeg, Manitoba.

895 East Hastings St., Vancouver, British Columbia.

PRODUCTS

WIRE ROPE (CABLE)

PERFORATED METAL SCREENS

INDUSTRIAL WIRE CLOTH

WIRE ROPE SLINGS

WOVEN WIRE SCREENS

MARKETS

Widely distributed to all industries across Canada such as:

Mining, Petroleum, Logging,

Highway Construction and Engineering, Manufacturing.